

Michael Dixon
Manager of Debtor / Creditor

FILED
2024 MAR 15 PM 3:42

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
EL PASO DIVISION

CLERK
BY [Signature]
DEPUTY

IN RE:

THE GATEWAY VENTURES, LLC,

Debtor.

§
§
§
§
§

CASE NO. 21-30071-hcm
Chapter 7

**EMERGENCY MOTION TO COMPEL TRUSTEE TO EFFECTUATE
PROMPT MARKETING AND SALE OF PROPERTY, PROVIDE INSURANCE,
FINANCIAL STATEMENTS, MONTHLY OPERATING REPORTS, 2023 TAX RETURN,
AND CORRECT DEFECTS IN THE ASSETS OF THE ESTATE UNDER MANAGEMENT
BY THE TRUSTEE.**

TO THIS HONORABLE COURT:

COMES NOW Michael Dixon, and files this Motion to Compel Trustee to Effectuate Prompt Marketing and Sale of Property, provide insurance, financial documents, monthly operating reports, 2023 tax return, and cure all administrative defects within the Estate on the property located at 6767 Gateway Blvd., El Paso, TX 79907 ("Subject Property"), and shows as follows:

PROCEDURAL HISTORY

1. Debtor sought Chapter 11 bankruptcy protection on February 2, 2021, in cause number 21-30071. [Doc.1]. The case was converted to these Chapter 7 proceedings on May 30, 2023. [Doc. 477]. Commensurate therewith, trustee Ron Ingalls was ordered by this Court to market and sell the subject property. [Doc.480]. The Subject Property not only has not been marketed and sold but has suffered diminution in value due to the neglect or nonfeasance of Trustee Ingalls.

FACTUAL BACKGROUND

2. In the interim, from the date that Trustee Ingalls was appointed trustee [Doc.480], until the present, Trustee Ingalls has done little to market the subject property, if at all. Additionally, Trustee Ingalls has ignored multiple good faith purchase offers without stating any cause or excuse to not act on same, has allowed the Subject Property to fall into disrepair, has allowed leases or prospective leases to expire, has failed to maintain the environmental requirements on the property creating violations with TCEQ, the City of El Paso, and the EPA, has failed to mitigate ongoing requirements for ground water contamination on the site, has allowed over \$500,000.00 of materials to be vandalized, removed and or stolen off the site, (Exhibit A) has allowed a homeless camp to establish itself on the property (Exhibit B), has failed to secure the property allowing it to become a wasteland and eyesore in the middle of the city of El Paso. Most importantly the Trustee has allowed the Subject Property to diminish in value rapidly and significantly, all without justification or excuse.

3. Trustee Ingalls has been presented with multiple good faith purchase offers, including:

- a) Levcorp, Inc. offer, pursuant to testimony of \$9,700,000.00 dated October 2023
- b) Krupula, LLC. offer pursuant to testimony of \$2,000,000.00 dated October 2023
- c) 6767 Gateway, LLC. offer recorded with the court of \$14,000,000.00 Dated January 12, 2024
- d) NS Ace Development, LLC. offer recorded with the courts of \$10,500,000.00 dated February 21,2024

4. Rather than counteroffer, permit due diligence to proceed, place the property into escrow, file a Motion to Sell with this Court, or take any action to otherwise monetize the asset for the benefit of creditors, Trustee Ingalls has roundly ignored the offers for the last 10 months. The actions of the Trustee are contrary to the Trustee's testimony in October 2023 assuring the completion of a sale by January 31, 2024.

5. As to the tenancy, Trustee Ingalls has caused Debtor to lose valuable tenants such as Main Event.

Importantly, a key tenant, Main Event, a national family entertainment chain, entered into a lease with build-out. Rather than facilitate renegotiation of the lease to include them in the sale process therefor adding over \$15,000,000.00 in value, (**Exhibit C**) Trustee Ingalls filed a motion to reject leases, (**Exhibit D**). again, causing a diminution in value of the asset, to the detriment of creditors. Had the property been properly managed and maintained, leases with tenants renegotiated, and ongoing management practices followed the property of the Debtor would be in a significantly better position to sell and at a higher price.

6. As to estate administration, Trustee Ingalls has failed to maintain insurance on the property. Trustee Ingalls has failed to file required operating reports, tax returns, or otherwise maintain proper accounting records. Therefore, even if the Subject Property were to be marketed, a prospective buyer would have little on which to decide the economic feasibility of the purchase within a reasonable due diligence period.

7. On January 31, 2023, the Subject Property was appraised by CBRE on bulk land-only value. The appraisal provided a value of \$10,420,000.00 (**Exhibit E**). Per this appraisal the Trustee and its Broker has had pricing guidance for this property for duration of the bidding and selection process of the Buyers. Per the listing on the property (**Exhibit F**) there is no pricing guidance on the property, list of entitlements, or a marketing campaign explaining the current condition of the property and or its appraised value.

ARGUMENTS AND AUTHORITY

8. A Chapter 7 trustee is charged with the responsibility to diligently administer the estate for the benefit of all creditors. CITATION. Likewise, proper estate administration may include liquidation of estate assets. CITATION. It is naturally in the creditors' best interests that

any estate assets at least be preserved to maximize the revenue to the estate. CITATION. Not only has Trustee Ingalls failed on every front to accomplish this, but his administration of the estate has also actually been the producing cause of a rapid diminution in value to primarily as-is land valuation purchase offers.

9. Trustee Ingalls was charged with the responsibility to file operating reports and the estate tax returns as well as maintaining proper financial records. CITATION. Likewise, Trustee Ingalls has failed to effectuate all the above. Therefore, any prospective purchaser, due solely to the inactions of Trustee Ingalls, does not have appropriate information provided to them to adequately provide a reasonable purchase price.

RELIEF REQUESTED

10. Movant hereby prays that this Court compel Trustee Ingalls pursuant to its prior order [Doc 477.] to bring forward any and all such offers received such that the creditors may see and evaluate same in conjunction with him and this Court, and to place under contract one or more as primary and/or back-up offers, so as to liquidate the estate asset, 6767 Gateway Blvd., El Paso, TX, for the benefit of all creditors.

11. Movant hereby pray that this court compel Trustee Ingalls pursuant to bankruptcy code to immediately provide the court and its creditors with proof of liability insurance on the property.

12. Movant Prays that this Court orders Trustee Ingalls pursuant to bankruptcy code to immediately provide updated financials, monthly operating reports, and file the 2023 tax return.

13. Movant hereby prays that this Court orders Trustee Ingalls pursuant to Commercial Land Practices secure the property and remove all vagrants and their domiciles.

14. Movant hereby prays that this court order Trustee Ingalls pursuant to Commercial Land Practices code cure all code, environmental, and property violations.

15. Movant hereby prays that this court remove Trustee Ingalls and replaced by another Trustee if all the above items are not remedied within 10 days of this order to effectuate the sale of the property and cure all defaults herein this motion.

Dated: March 15, 2024.

Respectfully submitted,

Michael J. Dixson



Michael Dixson

Manager of the Debtor The Gateway Ventures

Creditor of The Gateway Ventures

12912 Hill Country Blvd

F-235

Bee Cave, TX 78738

mdixson@pdgatx.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 15, 2024, a true and correct copy of the foregoing document was served via email pursuant to the Court's ECF system upon the parties receiving electronic notice in this case. A certificate of service by mail with complete addresses will be supplemented by separate instrument.

Debtor:

The Gateway Ventures, LLC 12912

Hill Country Blvd, Ste F235 Bee

Cave, TX 78738

Served via U.S. MAIL

Trustee:

Ronald Ingalls Trustee

P.O. Box 2867

Fredericksburg, TX 78624

Email: ingallstrustee@gmail.com

Served via ECF

United States Trustee - EP12 United

States Trustee

615 E Houston Ste 533

San Antonio, TX 78205-2055

Email: iustpreion07.sn.ecf.usdoj.gov

Served via ECF

Attorney for Debtor's Trustee

Clyde A. Pine Jr.

Mounce Green Myers Safi

Paxson & Galatza

100 N. Stanton Suite 1000

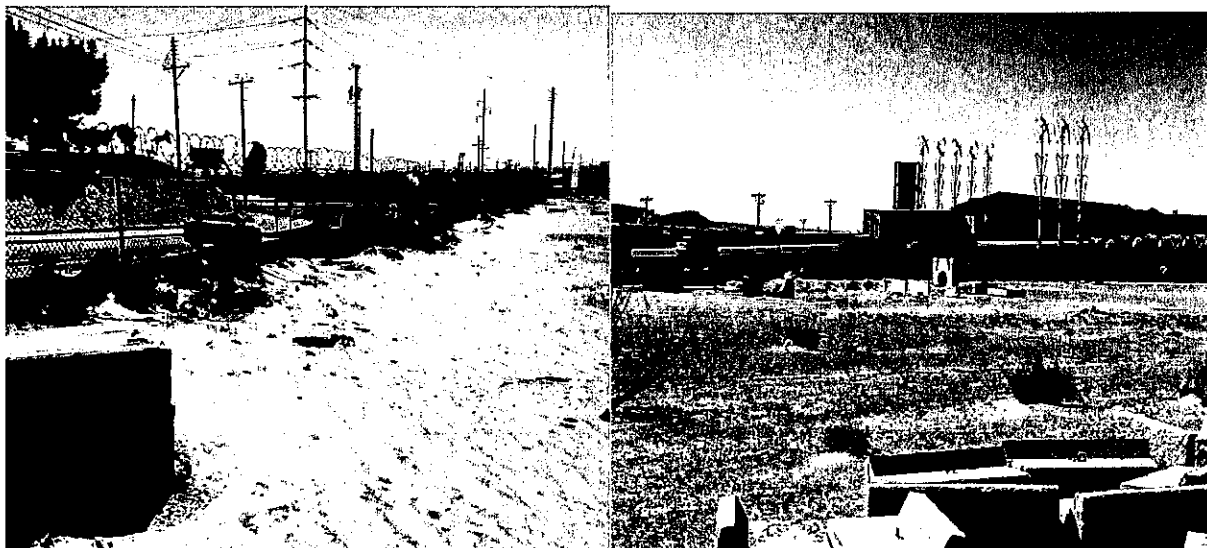
El Paso, TX 79999

Served via ECF

Exhibit A

Pictures of Damaged/Vandalized property





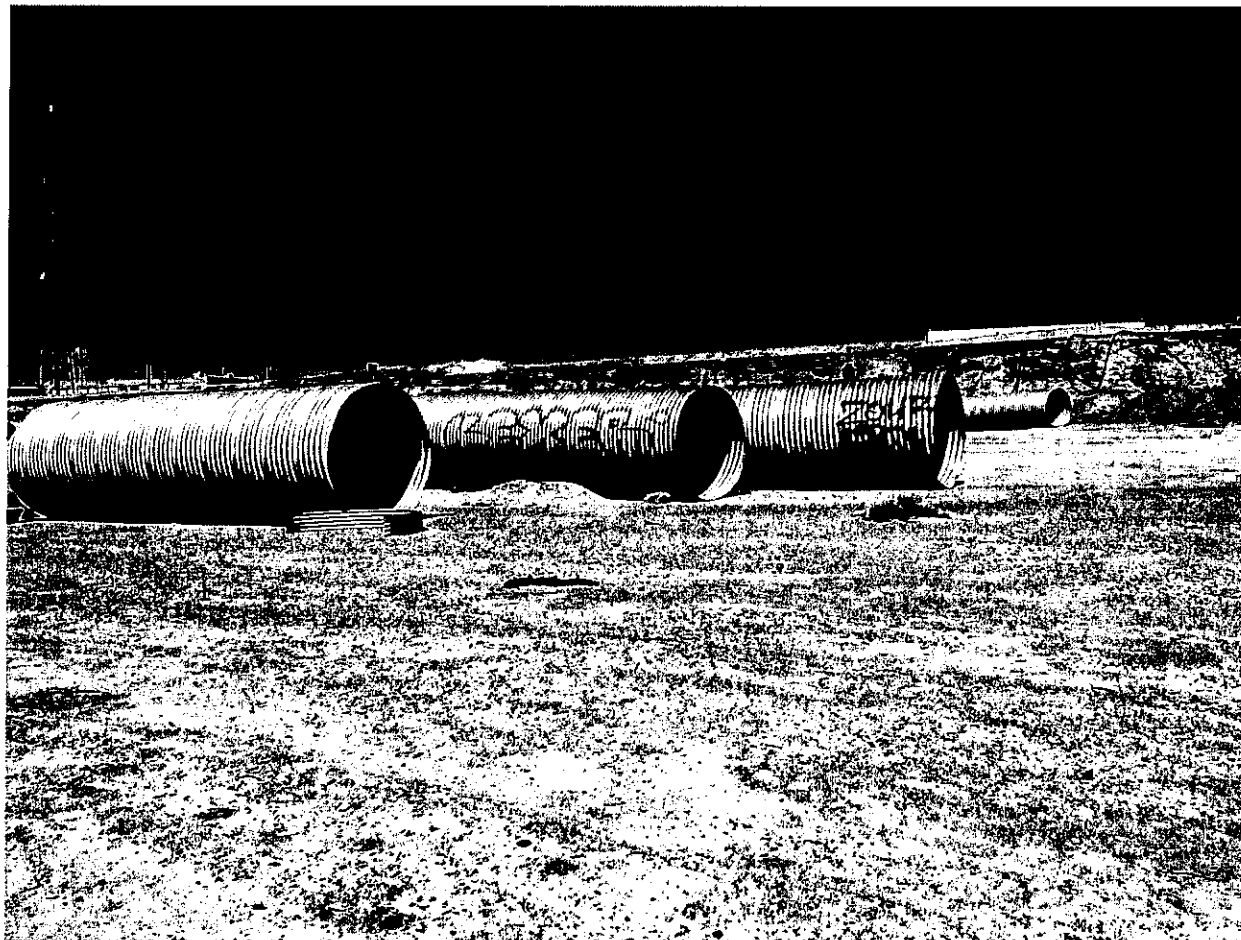


Exhibit B

Homeless Encampment



Exhibit C

Main Event Valuation per CBRE Appraisal

Individual Values - As Complete and Stabilized

As Complete and Stabilized - Tract 1 (Coffee Bean)	Leased Fee Interest	September 1, 2023	\$3,300,000
As Complete and Stabilized - Tract 2 (Panera)	Leased Fee Interest	November 1, 2023	\$3,360,000
As Complete and Stabilized - Tract 3 (Pad Site)	Leased Fee Interest	May 1, 2023	\$4,890,000
As Complete and Stabilized - Tract 4 (Tenet Health)	Leased Fee Interest	May 1, 2023	\$7,380,000
As Complete and Stabilized - Tract 5 (Main Event)	Leased Fee Interest	October 1, 2023	\$15,600,000

Compiled by CBRE

Exhibit D

Motion to Terminate Main Event Lease

#499

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
EL PASO DIVISION**

IN RE:	§	Case No. 21-30071-HCM
THE GATEWAY VENTURES, LLC	§	
Debtor	§	Chapter 7

**MOTION FOR AUTHORITY TO REJECT LEASE WITH
MAIN EVENT ENTERTAINMENT, INC.**

This pleading requests relief that may be adverse to your interests.

**If no timely response is filed within 21 days from the date of service,
the relief requested herein may be granted without a hearing being
held.**

A timely response is necessary for a hearing to be held.

Ronald E. Ingalls, Chapter 7 trustee, files this Motion to Reject Lease with Main
Event Entertainment, Inc. ("Main Event"), and would show the Court as follows:

4. This case was filed on February 2, 2021, and converted to Chapter 7 on
May 30, 2023. The movant is the Chapter 7 trustee appointed in this case.
5. The Debtor and Main Event entered into a lease agreement dated July 22,
2022, regarding a portion of the real property owned by the Debtor generally
described as 6767 Gateway Blvd. A Memorandum of Lease was filed on
December 8, 2022, with the El Paso County Clerk as Doc# 20220109927. A
true and correct copy of the Memorandum of Lease is attached as an Exhibit
to this Motion as filed with the clerk.

6. The lease provided certain deadlines in which the Debtor, as landlord, was required to accomplish certain tasks related to the development of the leasehold property. The tasks include constructing buildings, sidewalks, parking areas, providing utilities and access to the leased premises. The Debtor's obligations should have been accomplished in the year 2022.
7. None of the deadlines were met, and the lease has failed to accomplish the aims of the parties when the lease was executed. The bankruptcy estate is not capable of performing the landlord's duties in the lease.
8. The Trustee requests authority to reject the lease with Main Event dated July 22, 2022.
9. The Trustee has consulted the agents of Main Event. The Trustee believes that the rejection of the lease will not be opposed by Main Event.

WHEREFORE, Ronald E. Ingalls, Chapter 7 trustee, prays that he be granted authority to reject the lease between the Debtor and Main Event Entertainment, Inc., that the lease be rejected, and for other just relief.

Respectfully submitted,

/s/ Ronald Ingalls

Ronald Ingalls, Trustee
State Bar No. 10391900
PO Box 2867
Fredericksburg, TX 78624
Tel: (830) 321-0878
Fax: (830) 321-0913
Email: ron@ingallstrustee.com

CERTIFICATE OF SERVICE

The signature above certifies this motion has been served by first class, U.S. mail, postage prepaid, on August 24, 2023, on all those listed by the Debtor(s), as shown below.

The Gateway Ventures, LLC
12912 Hill Country Blvd, Ste F235
Bee Cave, TX 78738

United States Trustee - EP12
United States Trustee
615 E Houston Ste 533
San Antonio, TX 78205-2055

Jeff Carruth
Withdrawn as counsel by court order

Main Event Entertainment, Inc.
Attn: General Counsel
1221 S. Belt Line Rd, Suite 500
Coppell, TX 75019

Exhibit E

Bulk Land Pricing per CBRE Appraisal

Mr. Martinez
January 31, 2023
Page 3

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is - Primary Tract (14.30 Acres)	Fee Simple Estate	December 14, 2022	\$10,420,000

Please note that a discounted bulk sell off has not been provided as it is reasonable for all tracts. to sell within a year due to their strong locations after being completed.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. The date of this appraisal is the same as the date of this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

Exhibit F

LoopNet Listing online.

<https://www.loopnet.com/Listing/6767-Gateway-West-El-Paso-TX/29950053/>

6767 Gateway West

13.17 Acres of Commercial Land in El Paso, TX 79925

Commercial Land / Texas / El Paso / 6767 Gateway West, El Paso, TX 79925

767 Gateway Blvd W.
79925, Texas 79925

Key Highlights

- 13.17 Acres of Commercial Land
- Prime Location in El Paso
- High Traffic Area
- Near Major Highways
- Suitable for Retail or Industrial Use

Offering Summary

13.17 Acres of Commercial Land

For More Information

Max Prestridge
615-999-2912

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing or sales or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subject to the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer's agent by agreeing to represent the buyer usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent or subject to the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous text or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly
- May, with the parties' written consent, appoint a different license holder associated with the broker to act as each party's (owner and buyer) to communicate with, provide reports and advice to, and carry out the instructions of each party to the transaction
- Must not, unless specifically authorized in writing to do so by the party, disclose:

 - That the owner will accept a price less than the written asking price
 - That the buyer/tenant will pay a price greater than the price submitted in a written offer and
 - Any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law

AS SUBAGENT: A license holder acts as a subagent when acting as a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

NAI El Paso Management, LLC Licensed Broker (Equal Firm Name or Primary Assumed Business Name)	999999	elmerick@naipaso.com	615-999-2912
	License No.	Email	Phone
NAI El Paso Designated Broker or Firm	999999	elmerick@naipaso.com	615-999-2912
Reyelle B. Barrios	270666	elmerick@naipaso.com	615-999-2912
	License No.	Email	Phone

EXECUTIVE SUMMARY

Chapter 7 Bankruptcy Sale
Now Accepting Bids
Upon acceptance of a suitable bid, a Bankruptcy Court hearing will be announced, at this hearing higher bids on the Standard contract (to be provided) will be considered
Prime, high traffic, central location in El Paso, TX.
Property cannot be subdivided, must be purchased as a whole

Nearby retailers: Walmart Super Center, Sam's Club, Cielo Vista Mall, The Fountains at Farah, Basset Place, Costco, and more
Forecasted resolution date for remaining items is on or before 12/31/2023
Dropbox Link to Due Diligence items:
<https://www.dropbox.com/sh/1weju7y2vrs9ho/AAD5HxyTJ7s7Ux-JWOXbMVBca?dl=0>

Max Prestridge

Call

ECF SERVICE LIST

Notice will be electronically mailed to:

James W. Brewer on behalf of Creditor Century Bank
jbrewer@kempsmith.com, tschoemer@kempsmith.com

Jeff Carruth on behalf of Cross Claimant PDG Prestige, Inc.
jcarruth@wkpz.com, jcarruth@aol.com; ATTY_CARRUTH@bluestylus.com

Jeff Carruth on behalf of Cross Claimant The Gateway Ventures, LLC
jcarruth@wkpz.com, jcarruth@aol.com; ATTY_CARRUTH@bluestylus.com

Jeff Carruth on behalf of Cross Defendant PDG Prestige, Inc.
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Jeff Carruth on behalf of Cross Defendant The Gateway Ventures, LLC
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Jeff Carruth on behalf of Defendant PDG Prestige, Inc.
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Jeff Carruth on behalf of Defendant The Gateway Ventures, LLC
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James Michael Feuille on behalf of Creditor Umesh Shrestha
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pine@mgmsg.com, clyde.pine@gmail.com

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James W Rose, Jr on behalf of U.S. Trustee United States Trustee - EP12
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omar.e.jones@usdoj.gov; Adrian. Duran @usdoj.gov

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Riley Tunnell on behalf of Creditor Ware Malcomb
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David Lutz on behalf of Creditor Michael Dixon
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